1	2	3	4	5	6	7	8	9	10
Chhattisgarh	1.3	20.6	50.5	72.4	13.0	4.2	10.5	27.7	100.0
Gujarat	0.5	41.8	27.2	69.5	6.5	4.4	19.6	30.5	100.0
Karnataka	1.9	16.9	50.1	68.9	20.0	1.9	9.3	31.2	100.0
Haryana	1.1	23.9	42.6	67.6	24.1	3.1	5.3	32.5	100.0
Jammu and Kashmir	13.1	0.2	54.3	67.6	1.1	15.5	15.7	32.3	100.0
Himachal Pradesh	6.1	11.6	47.6	65.3	7.2	5.5	22.0	34.7	100.0
Jharkhand	3.9	4.5	55.7	64.1	19.0	1.7	15.2	35.9	100.0
Uttar Pradesh	2.4	6.7	51.2	60.3	19.1	2.9	17.7	39.7	100.0
West Bengal	10.3	19.2	28.5	58.0	13.0	10.7	18.4	42.1	100.0
Madhya Pradesh	1.9	16.9	38.1	56.9	22.6	9.0	11.4	43.0	100.0
Tamil Nadu	2.0	23.3	28.1	53.4	39.7	0.4	6.4	46.5	100.0
Punjab	1.9	17.6	28.4	47.9	36.3	8.2	7.6	52.1	100.0
Bihar	2.2	2.5	37.0	41.7	32.8	1.1	24.6	58.5	100.0
Assam	7.0	2.7	27.8	37.5	15.5	12.0	35.1	62.6	100.0
Rajasthan	1.3	5.9	27.0	34.2	36.5	19.2	10.1	65.8	100.0
Andhra Pradesh.	1.0	10.4	20.0	31.4	53.4	4.8	10.4	68.6	100.0
ALL INDIA	2.5	19.6	35.6	57.7	25.7	5.2	11.5	42.4	100.0

Source: NSSO, Situation assessment Survey of Farmers-2003

Violation of IRDA guidelines by banks

2023. SHRI M.V. MYSURA REDDY:
SHRI NANDAMURI HARIKRISHNA:
SHRI PENUMALLI MADHU:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some of the nationalized banks are insisting that loanees, including farmers, should take insurance policy for getting loans sanctioned from banks;

(b) if so, whether any such case has come to the notice of his Ministry;

(c) if so, the details thereof and the action that has been contemplated in this regard;

(d) whether the Insurance Regulatory and Development Authority (IRDA) guidelines does not insist that one should take an insurance policy for getting loan sanctioned from banks; and

(e) if not, how it would be ensured that the loanees, including farmers, are not mandated to take insurance policy for obtaining loan from banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (e) In terms of the Master Circular on para-banking activities (circular DBOD. No. FSD.BC.18/24.01.001/2009-10 dated July 1, 2009) issued by the Reserve Bank of India, banks have been advised as under:

(i) The bank should comply with IRDA regulations for acting as 'composite corporate agent' or referral arrangement with insurance companies.

(ii) The bank should not adopt any restrictive practice of forcing its customers to go in only for a particular insurance company in respect of assets financed by the bank. The customers should be allowed to exercise their own choice.

(iii) As the participation by a bank's customer in insurance products is purely on a voluntary basis, it should be stated in all publicity material distributed by the bank in a prominent way. There should be no 'linkage' either direct or indirect between the provision of banking services offered by the bank to its customers and use of the insurance products.

IRDA guidelines do not insist that any borrower requires to take an insurance policy for getting loans sanctioned from banks. However, as regards agricultural loans, the Rashtriya Krishi Bima Yojana (RKBY), {National Agriculture Insurance Scheme (NAIS)} is being implemented by the Agricultural Insurance Company of India Ltd. (AIC) on behalf of Ministry of Agriculture.

The objective of NAIS is to provide insurance coverage and financial support to farmers in the event of failure of crops as a result of natural calamities, pests and diseases and to encourage progressive farming practices, transformation of technology, etc. besides stabilizing the farm incomes of the farmers in the agriculturally bad years.

As per the National Agriculture Insurance Scheme, the Government at the beginning of the cultivation cycle/year issues a notification giving the name of districts and types of crops for coverage under NAIS. It is mandatory on part of the loanee farmer to have crop insurance for the district and crops types notified. However, Banks in order to protect the assets financed through loans, granted by it may impose a condition that those assets should be insured against perils, such as, Fire, Flood, Drought, etc.

Restructuring of NABARD

2024. DR. E.M. SUDARSANA NATCHIAPPAN:
SHRI GOVINDRAO WAMANRAO ADIK:

Will the Minister of FINANCE be pleased to state: